

SPECIAL COUNCIL WORK SESSION

Monday, May 20, 2019 at 4:30 p.m.
Council Meeting Room

AGENDA

1. Budget Review

Mayor Powell called the special work session to order at 4:30 p.m. with the following Councilmembers present: Freel, Pacheco, Hopkins, Walsh, and Lutz. Councilmember Bates entered the meeting at 5:13 p.m. and Councilmembers Huber entered the meeting at 5:35 p.m.

City Manager Napier reviewed the materials that were handed out to Council. He gave a brief breakdown of the different funds, and stated that for FY20, the City is projected to have a \$127,651 surplus for the General Fund, and a \$5.7M surplus across all funds. He then previewed the FY20 budget stating that the budget is balanced, does not include a COLA, does not burn reserves for operations, does provide the opportunity to bolster reserves, is not reliant upon inflated revenue, and uses one cent funds as agreed. He then went over the sales and use tax, and stated that FY19 was better than projected and there has been an upward trend in the last few years in sales tax collection. He then reviewed the four top industry classes for Casper, with retail being the highest.

He gave an overview of the General Fund and stated that there is \$2M available in excess revenue and expense savings that can be used for non-operational needs.

City Manager Napier asked for clarification from a pay structure item from the last work session, and Council gave majority support for implementing the Police Department value-added benefit pay structure. City Manager Napier discussed rolling over the \$225K pay for performance that was budgeted last year to FY20 and stated that that is assumed in the budget. Council expressed some concern about the appearance of favoritism with implementing the new pay structure for the Police Department before other departments. City Manager Napier stated that Council will be presented with this option for other departments in the coming months, and that they will also be presented with the scope of the class and compensation study as well as a contract for that study before it is implemented.

Next, City Manager Napier discussed the General Fund's reliance on State direct distribution supplemental funding, and proposed exchanging revenue in order to eliminate that reliance, hopefully by 2023. This would mean allowing revenue growth without increasing operational expenses.

City Manager Napier then gave an overview of the Enterprise Funds and reviewed the cash balances and performance of the Sewer Fund, Water Distribution Fund, Refuse Fund, and Balefill Fund, which are all in good status.

Next, City Manager Napier gave an overview of the Health Fund. He stated that the Property and Liability Fund was overfunded and proposed moving that extra money into the Health Fund and infusing another \$500K supplement. He said he is hoping FY20 will be the last year that a cash infusion is necessary for the Health Fund. He then reviewed next year's changes which will include a 14% premium increase.

Next, City Manager Napier reviewed the expected expenditures and projected yearend cash total for Optional One Cent #16. Council agreed to a request from Meals on Wheels to receive their funding upfront to buy a cargo van, and also gave their thumbs up to give the Downtown Development Authority, Hospice, and Health Department their funding upfront for similar equipment requests.

Next, City Manager Napier discussed concerns for FY20, including direct distribution, reserves, Health Fund, and remaining FY19 funds. He discussed the \$2M in remaining FY19 funds and gave examples of what Council could allocate including reserves, Perpetual Care Fund, and one time employee bonuses. He stated that full time employee bonuses of \$1K net pay would cost \$530K out of the General Fund and \$280K out of the respective Enterprise Funds. Council discussed these options and gave a tentative thumbs up for the employee bonus option with the possibility of including a smaller bonus for regular part time employees. They asked staff to come back Wednesday with the final cost for the bonus for the final go-ahead. They also directed that they would like the remainder of the \$2M to go into General Fund reserves.

Next, Council discussed the Perpetual Care Fund. Some Councilmembers asked for more analysis on the benefits of having the Fund, and others stated that they would not want to change the fund unless the City was in dire circumstances.

Council asked for staff to also provide a list of all of the Funds for the budget meeting on Wednesday.

CITY OF CASPER, WYOMING

A Municipal Corporation

ATTEST:

Fleur D. Tremel
City Clerk

Charles Powell
Mayor